

Message Text

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ACTION EUR-12

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TAGS: EETW, UR, EEC, COMECON

SUBJECT: IZVESTIA EDITORIAL DEFENDS EAST-WEST TRADE AS MUTUALLY
BENEFICIAL

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REF: A) MOSCOW 12436, B) MOSCOW 8804, C) MOSCOW 2517

1. SUMMARY: EDITORIAL IN SEPTEMBER 9 IZVESTIYA RESPONDS IN DEFENSIVE TONE TO DETRACTORS IN WEST OF MUTUALLY-BENEFICIAL NATURE OF EAST-WEST TRADE. IN PARTICULAR ARTICLE DENIES THAT CEMA COUNTRIES DESIRE USE PROPOSED EC-CEMA AGREEMENT IN ORDER TO GAIN "SUBSTANTIAL ADVANTAGES." ARTICLE RIDICULES ESTERN ATTEMPTS TO USE TRADE AND CREDITS TO GAIN POLITICAL ENDS. IT DESCRIBES THE PRESENT AS A TRANSITIONAL PERIOD IN EAST-WEST TRADE TO LONG-TERM COOPERATION AND COMPENSATION AGREEMENTS. (SOVIET ECONOMIST HAS TOLD EMBASSY OFFICER THAT HE BELIEVES IN POSSIBILITY OF FUTURE COOPERATION AGREEMENTS GIVING WESTERN COMPANIES SOME MANAGERIAL RIGHTS). AS FOLLOW-ON TO OTHER RECENT PRESS ARTICLES ON BENEFITS OF EAST-WEST TRADE THIS ARTICLE, IN CONTRAST TO OTHERS, APPEARS AS REPLY TO WESTERN CRITICS RATHER THAN SOVIET ONES.
END SUMMARY.

2. IN FRONT PAGE IZVESTIYA COMMENTARY, SEPTEMBER 9, FOREIGN EDITOR A. GRIGOR'YANTS DESCRIBES EAST-WEST TRADE AS MUTUALLY BENEFICIAL AND IN DEFENSIVE TONES ATTACKS WESTERN PRESS FOR REPRESENTING SUCH TRADE AS ADVANTAGEOUS PRIMARILY TO EAST. AFTER PRAISING EAST-WEST TRADE AS A REALIZATION OF HELSINKI ACCORDS, GRIGOR'YANTS CALLS ATTENTION TO THE "IMPORTANT INITIATIVE" OF CEMA TO CONCLUDE AN AGREEMENT ON THE PRINCIPLES OF MUTUAL RELATIONS WITH THE EEC.

3. GRIGOR'YANTS ASSERTS THAT "CONSTANT EFFORTS, PERSISTENCE, AND GOOD WILL BETWEEN COUNTRIES" ARE NECESSARY TO REALIZE THE HELSINKI FINAL ACT IN THE SPHERE OF ECONOMIC COOPERATION BETWEEN EAST AND WEST. THUS IT IS NECESSARY TO OVERCOME THE OPPOSITION OF THE ENEMIES OF DETENTE WHO INCLUDE SOME "BOURGEOIS" NEWSPAPERS THAT ARE REPRESENTING EAST-WEST TRADE AS "ACCESS TO WESTERN TECHNOLOGY." GRIGOR'YANTS ATTACKS FRENCH NEWSPAPER NOUVEAU JOURNAL FOR CLAIMING AHT CEMA COUNTRIES HOPE TO USE AGREEMENT WITH EEC TO RECEIVE "SUBSTANTIAL ADVANTAGES." IN REBUTTAL HE MAKES STOCK RECOUNTING OF SELF-ACCOMPLISHMENTS OF CEMA COUNTRIES AND OF THE CREATION BY TRADE WITH EAST OF "HUNDREDS OF THOUSANDS" OF JOBS IN WESTERN COUNTRIES.

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4. AUTHOR ALSO RIDICULES WESTERN ATTEMPTS TO USE TRADE TO EXTRACT POLITICAL CONCESSIONS FROM COMMUNIST COUNTRIES. TERMING CREDIT AS CONVENTIONAL NORM OF DOING BUSINESS, HE ALSO STRESSES UTILITY OF LONG-TERM COOPERATIVE AND COMPENSATION AGREEMENTS. AUTHOR STATES THAT EAST-WEST TRADE IS NOW IN A TRANSITION STAGE FROM "TRADITIONAL FORMS OF SUCH EXCHANGES TOWARD LONG-TERM, LARGE-SCALE COOPERATION." IN DISCUSSION AT RECEPTION WITH ECONOMIC OFFICER, YU. I. BOBRAKOV,

CHIEF OF U.S. ECONOMY SECTION OF USA INSTITUTE, SAID HE BELIEVED THAT IN THE FUTURE IT WOULD BE POSSIBLE TO FORM COOPERATION AGREEMENTS WHICH WOULD GIVE WESTERN PARTNERS SOME MANAGERIAL AUTHORITY. HE SAID MANAGERIAL CONTRACTS WOULD BE POSSIBLE AND EVEN COULD OCCUR IN ENTERPRISES PRODUCING FOR THE DOMESTIC MARKET, ALTHOUGH FIRST BREAKTHROUGH IN THIS AREA WOULD PROBABLY COME IN ENTERPRISES PRODUCING EXPORTABLE GOODS. BOBRAKOV CATEGORICALLY DENIED POSSIBILITY UNDER SOVIET LAOW OF ANY FORM OF JOINT OWNERSHIP. ALTHOUGH ONE CURRENT COMMERCIAL NEGOTIATION (MOSCOW 13674 AND 13883) IS UNDER WAY POTENTIALLY INVOLVING ELEMENTS OF U.S. TECHNICAL GUIDANCE IN PRODUCTION AS WELL AS EVENTUAL COMPENSATION THROUGH SOVIET EXPORTS, SOVIET DEPUTY MINISTER FOR FOREIGN TRADE, VLADIMIR SUSHKOV, IN CONVERSATION WITH EMBASSY E/C COUNSELOR SEPTEMBER 10 BELITTLED PROJECT AS OF RELATIVELY MINOR DIMENSIONS.

5. COMMENT: FOLLOWING ON OTHER RECENT ARTICLES IN SOVIET PRESS ARGUING MUTUAL BENEFITS OF EAST-WEST TRADE (REFTELS), GRIGOR'YANTS SEEMS TO TAKE AIM PARTICULARLY AT WESTERN CRITICS OF EAST-WEST TRADE. ALTHOUGH THE PARTICULAR NEWSPAPER CRITICIZED WAS FRENCH, THE STATEMENTS CONCERNING POLITICAL CONCESSIONS AND CREDITS ARE UNDOUBTEDLY AIMED AT AMERICAN CRITICS AS WELL.
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